executed by the Catholic Relief Services, New Delhi;

(b) whether Government have received complaints about mismanagement of their projects where goods and materials worth lakhs of rupees are being misappropriated and other unlawful activities of the project holders;

(c) whether an inquiry has been made into the working of this foreign funding agency; and

(d) if so, the details thereof?

THE MINISTER OF WELFARE (SHRI SITARAM KESRI): (a) The number of such projects run by Catholic Relief Services is 134. The places of location are given in the Annexure.

(b) to (d) No, Sir. As per information available an Audit Report. (*See* Appendix CLX, Annexure No. 44) conducted by Price Water-House for US AID in respect of Catholic Relief Services was received in the Ministry of External Affairs. The Report brought out misappropriation of small quantities of food-stuffs over a period of time. The enuquiries made by CBI revealed the shortage of goods in the godowns. It was the work of the employees and CBI recommended that the US authorities be advised to file a complaint with the local police for the shortage of goods. The counterpart of CRS in Madras have since filed an FIR with the local police authorities.

Studies on loss of foreign Exchange

1068. SHRI R. T. GOPALAN:
SHRI AJIT P. K. JOGI:
KUMARI ALIA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have studied the data compiled by the Institute for studies on Industrial Development regarding the net loss of foreign exchange for the years 1987—1989; and

(b) what is the manner in which the Government will ensure that the new foreign collaborations with 50 per cent foreign equity will not further worsen the foreign exchange position?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Government are not aware of any report submitted by the Institute of Studies on Industrial Development regarding the net loss of foreign exchange during the years 1987—89.

(b) According to the Statement on Industrial Policy laid on the Table of the House on 24th July, 1991, direct foreign investment will be permitted in high priority industries, with upto 51 per cent equity, provided the inflow of equity is sufficient to finance the import of capital goods at the stage of investment. The payment of dividends in such cases would also be monitored through the Reserve Bank of India so as to ensure that outflows on account of dividend payments are balanced by export earnings over a period of time. Other foreign equity proposals, including proposals involving 51 per cent foreign equity, which do not meet the criteria laid down will continue to need prior clearance. While granting clearance to these proposals, Government may consider stipulating such conditions, as may be necessary, to ensure that the foreign exchange outgo is kept to the barest minimum.

Tea plantation in Arunachal Pradesh

1069. SHRI NYODEK YONGGAM: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that Arunachal Pradesh Forest Corporation has started' tea planatation in selected areas of the State;

(b) if so, how many hectares of area has been brought under tea plantation;